

## SECTION XII

### COOPERATIVE PROGRAM PERSONNEL

- 12.1 The Participants may assign military or civilian employees of its DoD/MoD to serve as CPP in support of the CPO in accordance with the provisions of this Section. The commencement and Terms of Reference of such an assignment is to be mutually acceptable to the Participants and established in writing prior to appointment. An individual may serve for any length of time up to the completion or termination of the Program.
- 12.2 CPP will not act in a liaison capacity. CPP will perform duties as mutually determined by the CPM and DCPM within the scope of this MOU and any subsequently established PAs under this MOU.
- 12.3 The Parent Participant's responsibility will include all costs and expenses of CPP, including, but not limited to:
  - 12.3.1 All pay and allowances.
  - 12.3.2 Travel to and from the country of the Host Participant, except for travel pursuant to paragraph 12.4.
  - 12.3.3 All temporary duty costs, including travel costs, when such duty is carried out at the request of the Parent Participant.
  - 12.3.4 Compensation for loss of, or damage to, the personal property of CPP and their personal dependents.
  - 12.3.5 The movement of dependents and the household effects of CPP.
  - 12.3.6 Preparation and shipment of remains and funeral expenses in the event of the death of CPP or their dependents.
  - 12.3.7 All expenses in connection with the return of CPP whose assignment has been terminated, along with his or her dependents.
- 12.4 The Host Participant will be responsible for the following:
  - 12.4.1 Travel and subsistence costs in connection with the performance of any duty carried out pursuant to a requirement of the Host Participant.
  - 12.4.2 Costs incurred as a result of a change in location of work ordered by the Host Participant during the period of exchange.
- 12.5 The Host Participant will provide facilities and equipment necessary for the

performance of tasks assigned to CPP. The use of Host Participant facilities and equipment by CPP will be a shared cost between the Participants.

- 12.6 The Host Participant will not provide any supplies or services related to those costs that, pursuant to paragraph 12.3, are the responsibility of the Parent Participant. Accordingly, the Parent Participant will make arrangements to defray such costs directly through its personnel, rather than through reimbursement to the Host Participant.
- 12.7 The Participants will establish the maximum level of security clearance required, if any, to permit CPP to have access to Classified Information and work areas in accordance with the Program Security Instruction and Classification Guide. Access to Classified Information and facilities will be on a need-to-know basis and limited to the minimum required to accomplish CPO work assignments.
- 12.8 Each Participant will cause security assurances to be filed, through the British Embassy in Washington, D.C., in the case of UK personnel, and through the US Embassy in London, UK in the case of US personnel, stating the security clearances for the CPP being assigned. The security assurances will be prepared and forwarded through prescribed channels in compliance with established Host Participant procedures.
- 12.9 The Host Organization and the Parent Organization will ensure that assigned CPP are fully cognizant of applicable laws and regulations concerning the protection of proprietary information (such as patents, copyrights, know-how, and trade secrets), Classified Information and Controlled Unclassified Information to which access might be gained under this Program both during and after termination of an assignment. Prior to taking up assigned duties, CPP will be required to sign the certification at Annex C to this MOU.
- 12.10 CPP will at all times be required to comply with the security laws, regulations and procedures of the government of the Host Participant. Any violation of security procedures by CPP during their assignment will be reported to the Parent Participant for appropriate action. CPP committing willful violations of security laws, regulations, or procedures during their assignments will be withdrawn from the Program, with a view toward appropriate administrative or disciplinary action by the Parent Participant.
- 12.11 All Classified Information made available to the CPP will be considered as Classified Information furnished to the Parent Participant and will be subject to all provisions and safeguards provided for in Section XIII (Security), the Program Security Instruction, and the Classification Guide.
  - 12.11.1 CPP will not take custody of Classified Information or Controlled Unclassified Information in tangible form (for example, documents or

electronic files) unless approved by the CPM and as authorized by the Parent Participant on a case by case basis.

- 12.12 To the extent authorized by the laws and regulations of the government of the Host Participant, the Host Organization will provide such administrative support as is necessary for CPP to perform their assigned tasks.
- 12.13 Consistent with the laws and regulations of the government of the Host Participant, CPP assigned under this MOU will be subject to the same restrictions, provisions, and privileges as Host Participant personnel of comparable rank and in comparable assignments. Further, to the extent authorized by the laws and regulations of the government of the Host Participant, CPP and their authorized dependents will be accorded on a reciprocal basis:
  - 12.13.1 Exemption from any tax by the government of the Host Participant upon income received from the government of the Parent Participant.
  - 12.13.2 Exemption from any customs and import duties or similar charges levied on items entering the country of the Host Participant for their official or personal use including their baggage, household effects, and private motor vehicles. The foregoing will not in any way limit privileges set forth elsewhere in this MOU, or other privileges granted by the laws and regulations of the government of the Host Participant.
- 12.14 CPP and their dependents will be informed by the Host Organization about applicable laws, orders, regulations, and customs and they will be required to comply with them. CPP and their dependents also will be briefed by Host Organization personnel regarding their specific entitlements, privileges, and responsibilities upon their arrival in the country of the Host Organization.
- 12.15 CPP may observe the holiday schedule of either the Parent Participant or the Host Participant as mutually acceptable.
- 12.16 The Participants will determine working hours for CPP that are consistent with the customs and requirements of both Participants. CPP will have performance evaluations rendered in accordance with the applicable Parent Participant regulations.
- 12.17 CPP committing an offense under the laws of the government of either the Parent Participant or the Host Participant may be withdrawn from this Program with a view toward further administrative or disciplinary action by the Parent Participant. Disciplinary action, however, will not be taken by the Host Participant against CPP and CPP will not exercise disciplinary powers over personnel of the Host Participant. The Participants will cooperate when

legally possible in carrying out administrative or disciplinary action by the Parent Participant against its CPP.

- 12.18 Any medical and dental care that may be provided to CPP and their dependents at the Host Participant medical facilities will be subject to the requirements of the laws and regulations of the government of the Host Participant, including reimbursement when required by such laws and regulations.
- 12.19 In no case will CPP be assigned to positions which would require exercise of command or be assigned to other positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the Host Participant.
- 12.20 CPP will not be placed on duty or in positions in areas of political sensitivity where their presence would jeopardize the interests of the Parent Participant, or where, in the normal course of their duty, they may become involved in activities which may embarrass the Parent Participant.
- 12.21 The Host Participant will not deploy CPP in non-direct hostility situations, such as UN peacekeeping or multi-national operations, without Parent Participant approval. Additionally, CPP will not be deployed to a third country without Parent Participant approval.
- 12.22 The Host Participant will not place CPP in duty assignments in which direct hostilities with forces of third states are likely. Should a unit in which CPP are assigned become involved in hostilities unexpectedly, CPP assigned to the unit will not be involved in the hostilities without authorization from the Parent Participant. CPP approved by both the Parent Participant and the Host Participant for involvement in hostilities will be given clear guidance on the Host Participant's interpretation of laws of war, to include the rules of engagement.
- 12.23 Purchasing and patronage privileges at military commissaries, exchanges, theaters and clubs will be extended to CPP and their dependents on the same basis as equivalent personnel of the Host Participant. This provision will not, however, limit privileges set forth elsewhere in this MOU or other privileges granted by the Host Participant, at its discretion, with the consent of the Parent Participant.
- 12.24 CPP will be granted leave according to their entitlements under the regulations of the Parent Organization, subject to the approval of the appropriate authorities of the Host Organization.
- 12.25 CPP will be required to comply with the dress regulations of the Parent Organization and will also wear such identification as may be necessary to

identify the CPP's nationality, rank and status. The order of dress for any occasion will be that which most nearly conforms to the order for the Host Organization with which they are serving. Customs of the Host Organization will be observed with respect to wearing of civilian clothes.

- 12.26 Consistent with the laws and regulations of the government of the Host Participant, and upon provisions of reciprocity, the Host Organization will provide, if available, housing and messing facilities for CPP and their dependents on the same basis and priority as for its own personnel. CPP will pay messing and housing charges to the same extent as personnel of the Host Organization. At locations where facilities are not provided by the Host Organization for its own personnel, the Parent Organization will make suitable arrangements for CPP.
- 12.27 CPP and those dependents accompanying them, must obtain motor vehicle liability insurance coverage in accordance with applicable laws and regulations of the government of the Host Participant, or its political subdivision, where they are located. In case of claims involving the use of private motor vehicles, the first recourse will be against such insurance.
- 12.28 The NATO Status of Forces Agreement pertaining to rights and privileges of military and civilian personnel while in the country of the Host Participant will apply to CPP and their dependents.

## SECTION XIII

### SECURITY

- 13.1 All Classified Information or material provided or generated pursuant to this MOU will be stored, handled, transmitted, and safeguarded in accordance with the General Security Agreement between the United Kingdom of Great Britain and Northern Ireland and the United States of America, of 14 April 1961, amended 5 July and 19 December 1983, and including the Industrial Security Annex thereto, of 18 April 1984, amended 23 April 1988.
- 13.2 Classified Information and material will be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of the Participants. Such information and material will bear the level of classification, denote the country of origin, the provisions of release, and the fact that the information relates to this MOU.
- 13.3 Each Participant will ensure in a manner consistent with its laws and regulations that information provided or generated pursuant to this MOU is protected from further disclosure, except as permitted by paragraph 13.8, unless the other Participant consents to such disclosure. Accordingly, each Participant will ensure that:
  - 13.3.1 The recipient will not release the Classified Information to any government, national, organization or other entity of a Third Party without the prior written consent of the originating Participant in accordance with the procedures detailed in Section XIV (Third Party Sales and Transfers).
  - 13.3.2 The recipient will not use the Classified Information for other than the purposes provided for in this MOU.
  - 13.3.3 The recipient will comply with any distribution and access restrictions on information that is provided under this MOU.
- 13.4 The Participants will investigate all cases in which it is known or where there are grounds for suspecting that Classified Information or material provided or generated pursuant to this MOU has been lost or disclosed to unauthorized persons. Each Participant also will promptly and fully inform the other Participant of the known details of any such occurrences, and of the final results of the investigation and of the corrective actions taken to preclude recurrences.
- 13.5 The CPO will prepare a Program Security Instruction and a Classification Guide for the Program. The Program Security Instruction and the

Classification Guide will describe the methods by which Program Information and material will be classified, marked, used, transmitted, and safeguarded. The Instruction and Guide will be developed by the CPO within three months after this MOU enters into force. They will be reviewed and forwarded to the Participants' DSA's for approval and will be applicable to all government and Contractor personnel participating in the Program. The Classification Guide will be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The Program Security Instruction and the Classification Guide will be approved by the appropriate DSA prior to the transfer of any Classified Information or Controlled Unclassified Information.

- 13.6 The DSA of the Participant in which a classified Contract is awarded will assume responsibility for administering within its territory security measures for the protection of the Classified Information, in accordance with its laws and regulations. Prior to the release to a Contractor, prospective Contractor, or subcontractor of any Classified Information received under this MOU, the DSAs will:
  - 13.6.1 Ensure that such Contractor, prospective Contractor or subcontractors and their facilities have the capability to protect the Classified Information adequately.
  - 13.6.2 Grant a security clearance to the facilities, if appropriate.
  - 13.6.3 Grant a security clearance for all personnel whose duties require access to Classified Information, if appropriate.
  - 13.6.4 Ensure that all persons having access to the Classified Information are informed of their responsibilities to protect the Classified Information in accordance with national security laws and regulations, and the provisions of this MOU.
  - 13.6.5 Carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected.
  - 13.6.6 Ensure that access to the Classified Information is limited to those persons who have a need-to-know for purposes of the MOU.
- 13.7 The Participants recognize that certain classified Program Information, both Foreground and Background, may be subject to special restrictions which will be established in accordance with the Program Security Instruction.
- 13.8 Contractors, prospective Contractors, or subcontractors which are determined by DSAs to be under financial, administrative, policy or management control of nationals or entities of a Third Party, may participate in a Contract or

subcontract requiring access to Classified Information provided or generated pursuant to this MOU only when enforceable measures are in effect to ensure that nationals or other entities of a Third Party will not have access to Classified Information. If enforceable measures are not in effect to preclude access by nationals or other entities of a Third Party, the other Participant will be consulted for approval prior to permitting such access.

- 13.9 For any facility wherein Classified Information or material is to be used, the responsible Participant or Contractor will approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the information or material pertaining to this MOU. These officials will be responsible for limiting access to Classified Information or material involved in this MOU to those persons who have been properly approved for access and have a need-to-know.
- 13.10 Each Participant will ensure that access to the Classified Information is limited to those persons who possess requisite security clearances and have a specific need for access to the information in order to participate in the Program.
- 13.11 Information or material provided or generated pursuant to this MOU may be classified as high as Secret. The existence of this MOU is Unclassified and the contents are Unclassified.



## SECTION XIV

### THIRD PARTY SALES AND TRANSFERS

- 14.1 Except to the extent permitted in paragraph 14.2, and unless otherwise specified under any subsequently established PAs under this MOU, the Participants will not sell, transfer title to, disclose, or transfer possession of Program Foreground Information or jointly acquired or produced Program Equipment to any Third Party without the prior written consent of the other Participant. Furthermore, neither Participant will permit any such sale, disclosure, or transfer, including by the owner of the item, without the prior written consent of the other Participant. Such consent will not be given unless the government of the intended recipient consents in writing with the Participants that it will:
  - 14.1.1 not retransfer, or permit the further retransfer of, any equipment or information provided; and
  - 14.1.2 use, or permit the use of, the equipment or information provided only for the purposes specified by the Participants.
- 14.2 Each Participant will retain the right to sell, transfer title to, disclose, or transfer possession of Program Foreground Information:
  - 14.2.1 which is generated solely by either that Participant or that Participant's Contractors in the performance of that Participant's work allocation (Scope of Work) under any subsequently established PA under this MOU; and
  - 14.2.2 which does not include any Program Foreground Information or Program Background Information of the other Participant, and whose generation, test or evaluation has not relied on the use of Program Equipment of the other Participant.
- 14.3 In the event questions arise as to whether the Program Foreground Information (or any item produced either wholly or in part from the Program Foreground Information) that a Participant intends to sell, transfer title to, disclose, or transfer possession of to a Third Party is within the scope of paragraph 14.2, the matter will be brought to the immediate attention of the SC. The Participants will resolve the matter prior to any sale or other transfer of such Program Foreground Information (or any item produced either wholly or in part from the Program Foreground Information) to a Third Party.
- 14.4 Participant will not sell, transfer title to, disclose, or transfer possession of Program Equipment or Program Background Information provided by the other Participant to any Third Party without the prior written consent of the

Participant which provided such equipment or information. The providing Participant will be solely responsible for authorizing such transfers and, as applicable, specifying the method and provisions for implementing such transfers.

- 14.5 Consent for Third Party sales and transfers of Program Foreground Information or jointly acquired Program Equipment, or any item produced either wholly or in part from Program Foreground Information will not be withheld except for reasons of foreign policy, national security, or national laws. A Participant will not refuse approval of such a sale or transfer to a Third Party when it would be willing to sell or transfer such equipment or information to the same Third Party.
- 14.6 Sales and other transfers of equipment developed or Program Foreground Information generated under this MOU may attract a levy to be shared between the Participants. Prior to any such sale or transfer, the amounts of any levy and the procedures for assessing and distributing such levy will be mutually determined by both Participants consistent with the laws and regulations of each Participant. Either Participant may reduce the assessment of its share of the levy.

## SECTION XV

### LIABILITY AND CLAIMS

- 15.1 Claims arising under this MOU will be dealt with under paragraph 1 of the Agreement Concerning Defense Cooperation Arrangements of 27 May 1993. Any cost-sharing arrangements under Paragraph 1(b)(ii) of that Agreement will be in the same ratio as the cost-sharing arrangements in the Financial Arrangements section in any subsequently established PA under this MOU.

## SECTION XVI

### PARTICIPATION OF ADDITIONAL PARTICIPANTS

- 16.1 It is recognized that other national defense organizations may wish to join the Program.
- 16.2 Mutual consent of the Participants will be required to conduct discussions with potential additional participants. The Participants will discuss the arrangements under which another participant might join, including the furnishing of releasable Program Information for evaluation prior to joining. If the disclosure of Program Information is necessary to conduct discussions, such disclosure will be in accordance with Section IX (Disclosure and Use of Program Information), Section X (Controlled Unclassified Information) and Section XIV (Third Party Sales and Transfers).
- 16.3 The Participants will jointly formulate the provisions under which additional participants might join. The addition of new participants to the Program will require amendment of this MOU by the Participants.

## SECTION XVII

### CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

- 17.1 Customs duties, import and export taxes, and similar charges will be administered in accordance with each Participant's respective laws and regulations. Insofar as existing national laws and regulations permit, the Participants will endeavor to ensure that such readily identifiable duties, taxes and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with work carried out under this Program.
- 17.2 Each Participant will use its best efforts to ensure that customs duties, import and export taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Participant in whose country they are levied will bear such costs.

## SECTION XVIII

### SETTLEMENT OF DISPUTES

- 18.1 Disputes between the Participants arising under or relating to this MOU will be resolved only by consultation between the Participants and will not be referred to a national court, to an international tribunal, or to any other person or entity for settlement.